

30 Rockefeller Plaza  
New York

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H. W. Page

TO MEMBERS OF THE COMMITTEE ON MILITARY  
AND GOVERNMENT PETROLEUM REQUIREMENTS

Gentlemen:

The Armed Service Petroleum Board, in accordance with its objective of providing maximum assistance to the petroleum industry, has published preliminary estimates of the Armed Services requirements for the Fiscal Year 1949 (July 1, 1948-June 30, 1949).

These requirement figures represent estimates of all major product requirements of the Armed Services including requirements for camps, posts, etc., within the United States which are presently purchased through the Treasury Procurement Service - Bureau of Federal Supply. In the Fiscal Year 1949, all Armed Service requirements will be purchased by Armed Service procurement agencies. This is one of the steps in coordinating and simplifying government petroleum purchases which was recommended by your Committee.

The attached statement shows a comparison of Armed Service requirements for Fiscal Year 1949 compared with Fiscal Year 1948. In total, requirements are now estimated to decline about 4.7 million barrels (3.9%) in the coming fiscal year.

Aviation gasoline requirement estimates (excluding Jet fuel) show an increase of 8%. However, the average requirement for the Fiscal Year 1949 is slightly lower than the average rate for the second half of Fiscal Year 1948 (Jan-June 1948).

Jet fuel requirements are up, but the volume involved (7,000 B/D) is still relatively small.

Motor gasoline, kerosene, other diesel and burner oil and other heavy fuel oil requirements show very little change after taking into account the decreases which will take place in purchases by the Bureau of Federal Supply.

Navy diesel requirements are up slightly.

Navy Special fuel oil requirements are down sharply - 7.8 million barrels (18.5%). This estimate is based on the assumption that Navy Special offers during the next few months will be sufficient to meet the Fiscal 1948 requirement figures which, in turn, are based on reaching target stock levels by June 30, 1948.

A breakdown of the Fiscal Year 1949 requirements by areas is not yet available, but will be forwarded to the Committee as soon as possible.

The anticipated reduction in Armed Services requirements at a time when domestic civilian requirements are still increasing rapidly will no doubt be welcomed by the industry. If it is assumed that Armed Service purchases from foreign supply areas continue at approximately present levels, the domestic Armed Service purchases will not exceed 4% of the total United States demand.

On behalf of the Committee, your Acting Chairman has expressed appreciation to Colonel Vogel, Executive Officer of the Armed Service Petroleum Board, for the actions of the Board in preparing and publishing their estimates well in advance of the Fiscal Year.

Very truly yours

/s/ H. W. Page

ACTING CHAIRMAN,  
COMMITTEE ON MILITARY AND  
GOVERNMENT PETROLEUM REQUIREMENTS

Attachment

ARMED SERVICE'S PETROLEUM REQUIREMENTS

WORLD-WIDE TOTALS

(Thous. of Bbls.)	<u>Fiscal 1948</u>	<u>Fiscal 1949</u>	<u>Increase or (Decrease)</u>
Aviation (excl. Jet) (a)	18,719	20,260	1,541
Jet Fuel	1,644	2,537	893
Motor Gasoline	14,094	16,340	1,246
Kerosene	1,223	1,621	398
Navy Diesel	18,147	20,466	2,319
Other Diesel & Burner	2,148	10,337	8,189
Navy Special	42,297	34,489	(7,808)
Other Heavy Fuel	<u>11,480</u>	<u>11,000</u>	<u>(480)</u>
Total	109,752	117,040	7,288
Purchases for Armed Services by Bureau of Federal Supply (b)	<u>12,000</u>	<u>-</u>	<u>(12,000)</u>
Total	121,752	117,040	(4,712)
 (a) Breakdown of Aviation requirements by grades:			
115/145	7,707	6,000	(1,707)
100/130	<u>8,683</u>	<u>12,391</u>	<u>3,708</u>
Sub-total	16,390	18,391	2,001
91/98	2,054	1,625	(429)
73/80	<u>275</u>	<u>244</u>	<u>(31)</u>
Total	18,719	20,260	1,541
 (b) Partial list of increases in Armed Services purchases which will be approximately offset by decreases in Bureau of Federal Supply Purchases:			
Motor Gasoline (Total increase shown for interior)			1,333
Kerosene (Total B.F.S. requirement for Fiscal 1948)			124
Other Diesel & Burner Oil (Total increase shown)			8,189
Navy Diesel (Total B.F.S. requirement for Fiscal 1948)			<u>1,084</u>
Total			10,730

Bureau of Federal Supply requirements for Fiscal 1948 were reported to be 16,216,000 barrels of which 12,000,000 barrels were for the Armed Services.